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SUBMISSION TO
THE ROYAL COMMISSION
ON
DOMINION-PROVINCIAL RELATIONS
BY
THE ALBERTA CO-OPERATIVE SUGAR BEET GROWERS
ASSOCIATION

Lethbridge, Alberta.
March 1938.



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THE ALBERTA CO-OPERATIVE SUGAR BEET GROWERS' ASSOCIATION

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MY LORDS AND GENTLEMEN:

The association which we represent is a voluntary organization composed of all the sugar beet growers of the Province. The purpose of our organization is to encourage the Beet Sugar Industry.

IMPORTANCE OF THE INDUSTRY

In asking the indulgence of your Commission we do so believing that the problems confronting the industry are of such importance as to merit your careful attention.

To indicate the value of this industry to the agriculture of our district and the community in general we submit the following figures relating to the 1937 beet crop:

235,481 tons of beets were produced from 19,829 acres of irrigated land - an average of 11.88 tons per acre.

75,603,700 pounds of sugar were manufactured.

3,813 pounds was the per acre yield of refined sugar.

\$3,040,000.00 worth of sugar was manufactured.

\$155.00 was the total gross return per acre.

\$ 77.50 was the gross return per acre to the farmer.

\$77.50 was the gross return to the Manufacturer.

\$25.00 per acre was paid for hand labor by the farmer.

We believe that this land is producing more food value per acre than any other land in the Dominion.

Sugar beets of high quality and satisfactory yields can be grown, harvested and manufactured into refined sugar on all of our irrigated tracts in Alberta and this industry has, in the districts where it is established, made a tremendous contribution toward the prosperity of both the urban and rural sections.

The Beet Sugar Industry holds a unique and unreplaceable position in the economy of irrigation farming in Alberta.

It has amply demonstrated its value as a means of employment of both agricultural and industrial labour, and is thus a means of assisting in the solution of our unemployment problem.

Refined sugar from sugar beets is a 100% Canadian product and its production is an internal industry of incalculable value to the Dominion.

In case of war, the possibility of which is not remote, the nation that is most nearly self-sustaining has a tremendous advantage. Combatant nations have always spent much of their energy in the destruction of enemy war and food materials on the high seas and in blockading ports of entry. Efficiency in this type of warfare has increased greatly in modern times. Canada should

prepare to be as nearly self-sustaining as possible. In so far as sugar is concerned such an objective can only be attained by the expansion of the beet sugar industry. At present sugar from beets constitutes only 14% of our total sugar consumption in Canada.

Refined beet sugar is of equal food value and has the same chemical composition as cane sugar.

The by-products of the industry, beet tops, pulp, and molasses support a large livestock feeding industry. During the current year 5,000 head of cattle and 40,000 sheep are being fed in the vicinity of the two Alberta factories.

PROBLEMS CONFRONTING THE INDUSTRY

(1) The beet sugar industry is owned and controlled by Cane Refining interests and exists by their sufferance.

(2) Freight tariffs on refined sugar are relatively higher in Western Canada than those existing in the United States under comparable geographic and transportation conditions.

(3) The present Dominion Excise tax of \$1.00 per cwt. on sugar adds approximately 25% to its wholesale price. We believe the payment of ten millions of dollars annually is unjust discrimination against this important food product and tends to materially decrease consumption. At present sugar is placed for taxation in the category of a luxury.

(4) The beet sugar industry in Canada is entirely de-

pendent upon the maintenance of the present tariff structure, and we are authoritatively informed that a definite effort is being made to remove the import duties on refined sugar.

(5) There apparently exists a disposition on the part of our Senior Government to make commitments affecting branches of agriculture without due consideration of the interests of the producers concerned. This fact is borne out by the statement made by Canada's representative at the London Sugar Conference in May 1937 as follows:- "At the same time, the Government of Canada reiterate the assurance already given that they do not propose to stimulate the production of sugar in Canada during the term of this agreement by subsidy, increased protection, special remission of taxes, or by any other similar measures." This undertaking could only be directed against the production of beet sugar.

RECOMMENDATIONS

With a view to assisting in the rehabilitation of agriculture; the relief of unemployment and the building up of a domestic sugar supply for abnormal times, we urge that expansion of the beet sugar industry be encouraged by every legitimate means.

As a means to this end we should like to submit the following recommendations to the Commission:

(1) Since the beet sugar industry is in the control of cane sugar refining interests we submit that a complete investigation into the business methods and financial structure of

these companies is essential and should be undertaken by the Government. If such an investigation establishes the fact that undue profits are being made in cane sugar refining or in the manufacture of beet sugar, or that these Companies are curtailing the normal expansion of the beet sugar industry by unfair methods, we urge that appropriate action be taken by the Federal Government to correct these conditions.

(2) We believe that the three Prairie Provinces are logical markets for beet sugar manufactured in Western Canada, and we recommend that freight tariffs be adjusted to make these markets available. We suggest that this may be accomplished by establishing a "manufacturing in transit" rate on sugar similar to the "milling in transit" rate and the "malting in transit" rate now existing in Canada, or by reducing the present rates on refined sugar to a point comparable to those in effect in the Western United States.

Inasmuch as the feeding of livestock is inseparately linked with Sugar Beet Culture we also urge that the possibilities of a "feeding in transit" rate for livestock be investigated.

(3) In view of the unfairness of the present \$1.00 per cwt. excise tax we urge that this tax be reduced to .25¢ per cwt. which is approximately equivalent to the 6% general sales tax now in effect.

(4) In view of the expenditure of money and effort in the rehabilitation of western drought areas and in consideration of the fact that no crop fits better into a scheme of irrigation farm-

ing, we urge that no action be taken by the Federal Government that would in any way jeopardize the present beet sugar industry. We have special reference to certain suggestions that are being made respecting the removal of the tariff on refined sugar. These suggestions, if implemented, would result in discontinuance of beet sugar production with very serious loss to Canadian Agriculture, to the beet sugar manufacturing industry and labour.

We believe that the agitation for a reduction in sugar prices is in the general interest of the consumer and indirectly in the interest of the beet sugar industry. This may be achieved by the reduction of the tax as indicated above without disturbing the present tariff schedules.

(5) We censure the undertaking made at the London Conference and suggest that inasmuch as the agreements have not been ratified by a number of signatory nations, the grounds be canvassed with all diligence for a means of abrogating this ill-considered undertaking. We also seriously urge that in future when such undertakings are being considered, proper representation from producers organizations be invited.

It might be further added that in our opinion Canada should work toward the production of at least 50% of it's sugar in normal times. With a normal output of 50% of sugar consumed it would be relatively easy to increase production to full requirements if the need arose.

In order to make this submission as brief as possible we have largely confined ourselves to statement of facts

and recommendations arising from the same.

We are now prepared, if you so desire, to answer any questions arising out of this statement or in any way related to our subject. We are prepared to support and supplement all our statements with documentary evidence which we have at hand.

We wish to thank you for the courteous and considerate hearing you have given us.

ALBERTA CO-OPERATIVE SUGAR BEET GROWERS' ASS'N.

Phillip Baker
President
T. F. Russell
Secretary-Treasurer
C. O. Asplund
Louis Brandley
William Redd
Members of Committee

Dated at Lethbridge, Alberta,
March, 1938.

